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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 003299

SIPDIS

STATE PASS AIT/W

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TAGS: [PGOV](#) [PREL](#) [TW](#)

SUBJECT: THE KMT'S LY ELECTION NON-STRATEGY

REF: A. TAIPEI 03031

[1](#)B. TAIPEI 03234

Classified By: AIT Director Douglas Paal, Reasons: 1.4 (B/D)

[1](#)1. (C) Summary: With just over a month to go before the December 11 Legislative Yuan (LY) election, the KMT is close to abandoning efforts to formulate a coherent, coordinated strategy for retaining its current LY majority. The KMT failed to enforce discipline during the nomination process, and party officials do not expect compliance with planned coordinated voting distribution system. An aborted eleventh-hour attempt to merge the KMT and People First Party (PFP) has deepened existing distrust within the Blue camp. The lack of a consensus on major policy issues means that the Pan-Blue leadership is even less capable of responding to Pan-Green attacks than they were during the presidential election campaign. Nevertheless, many individual KMT LY candidates are confident that their strong grassroots bases, and crumbling PFP support, will ensure them victory on December 11. End Summary.

Divided We Stand

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[1](#)2. (C) The KMT has largely abandoned an attempt to formulate a unified campaign for the December 11 LY election. Party officials have tried to put a positive spin on the problem, noting the local focus of LY campaigns. KMT Overseas Affairs Director Ho Szu-yin told AIT that in LY elections, "all politics is local," and individuals rely on their personal qualifications and community connections. Soochow University Political Science Professor and informal KMT advisor Emile Sheng asserted that a coordinated island-wide campaign would only move the vote by three percentage points in any case. KMT Organizational Development Deputy Chairman Elton Liou told AIT that since June he has been visiting local KMT organizations to assess the strengths and weaknesses of each LY candidate and found most candidates uninterested in help from Taipei HQ. Liou asserted that this was natural, since most KMT LY members rely on their own relationships and connections to secure re-election. Compared to a presidential or magistrate election, he continued, the central organization has less of a role to play in LY campaigns.

[1](#)3. (C) Nevertheless, political observers emphasize that in Taiwan's multi-member district system, party headquarters do play a number of critical roles. Perhaps none is more important than ensuring the nomination of a correct number of candidates. While the PFP remained conservative in its nomination numbers, the KMT nominated about 40 percent more than the number of its incumbents. Moreover, many party members who did not win party nomination have launched independent campaigns. Elton Liou said that little could be done about the problem. "This is the KMT, this is our tradition," he sighed. Liou said the biggest difference between the DPP and KMT is that "KMT members always think they do not derive their power from the party." KMT officials are equally pessimistic over their ability to enforce a coordinated voting distribution strategy (peipiao). Ho Szu-yin told AIT that psychologically it is very difficult to ask voters not to cast a vote for the candidate of their choice, even if it is for the good of the party as a whole. Former Organizational Development Chairman Ting Shou-chung said that "peipiao" might work in northern urban areas but local factions in central and southern Taiwan have their own ideas on who they want to support.

Three Issue That Could Undo the Blue

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[1](#)4. (C) Despite the emphasis on local campaigns, some in the KMT say there are national issues that could affect the Pan-Blue's election prospects. KMT Legislator (Taipei South) Apollo Chen (Shei-sheng) told AIT that, in a September meeting with KMT Chairman Lien Chan, he outlined three issues that the party must handle successfully in order to remain competitive in the year-end election -- the KMT-PFP merger, the November 4 court decision on the presidential election challenge, and the December 10 commemoration of the Formosa Incident (marking the anniversary of the KMT government's 1979 crackdown on an opposition magazine run by senior members of the current administration). Since Chen's

warning, the Pan-Blue has already dropped the ball on the first issue. A very public KMT attempt in the final days of the registration period to bully the PFP into accepting a merger has only increased animosity between the two parties and further hindered cooperation (Ref A). While both sides have tried to bury the hatchet, the issue continues to fester. Despite a renewed call for immediate merger last week by PFP legislators from central and southern Taiwan, few observers believe that a merger can be realized before the election.

15. (C) The courts are not expected to rule on the first of the two March 20 election-related cases until November 4, but the KMT is already showing signs of fumbling that issue in the form of its "Truth Investigation Commission" created by Pan-Blue legislators in August. KMT moderates complain that the leadership's continued focus on the last election has distracted the party from adequately planning for the next one and alienated centrist voters who likely regard the Pan-Blue protest as "sour grapes." KMT Taipei City Councilor Chen Yu-mei bemoaned to AIT that during a recent meeting with Lien Chan, the Chairman took a full hour complaining about March 20, but did not make even a single mention of the LY election. Lien and other top KMT officials continue to see all politics through the lens of March 20, without reference to political realities. When asked by AIT in early October what the Pan-Blue election strategy would be, KMT LY President Wang Jin-Pyng replied "the Truth Investigation Commission." When pressed to elaborate on how exactly this would help the KMT's LY prospects, Wang thought about it and said, "actually it really is a DPP issue."

16. (C) Apollo Chen's third issue, "the Formosa Incident," represents a more generalized fear that the Pan-Blue will fall into the same nationalism trap the Pan-Green set for them during the last election (Ref B). Chen told AIT that he specifically warned Lien not to let the PFP trick him into making sour and sarcastic remarks before the December 10 anniversary of the incident. Chen asserted that this would only alienate the majority of ethnic Taiwanese KMT supporters and boost the PFP among the minority ethnic Mainlanders. Confident that the current leadership can not win on the issue, many light Blue candidates are themselves trying to avoid anything related to Taiwan nationalism. The KMT's Ting, who is running in Taipei's North District, told AIT he will simply focus on non-sensitive issues like the economy, a volunteer army, and stability. However, other candidates, such as PFP Legislators Lin Yu-fang and Sheu Yuan-kuo, are actively campaigning against issues like the USD 18 billion defense procurement budget as part of their appeal to deep Blue voters in Taipei City. As with the Formosa Incident, KMT moderates fear that the PFP's posturing on the defense budget will leave the entire Pan-Blue camp vulnerable to charges of selling out to Beijing.

Herding Cats

17. (C) KMT's Elton Liou told AIT that there is a recognition that the Pan-Blue needs to at least respond to DPP attacks during the campaign, but they have not yet reached a consensus on how. Liou noted that the party has identified the Truth Commission, party assets, and the KMT's passive-aggressive stance on the special defense procurement budget as key vulnerabilities, but internal divisions have made it impossible to craft a coherent response. After arguing for hours on the problem, Liou said the only thing the KMT could agree upon was to adopt the ambiguous slogan "Make things right." Personality clashes and personnel reshuffles are compounding the KMT's woes. Su Chi, an influential Lien advisor, angrily quit the party's think tank after being denied a "safe" seat on the KMT's proportional candidate list. On October 18, another key player in the discussion, KMT Legislator and party Spokesman Alex Tsai, was summarily fired over a still obscure spat with a scion of the Chiang dynasty.

Comment: Incompetence is Relative

18. (C) If we needed proof that the KMT has changed over the last four years, this campaign provides it. First, the KMT has abandoned the centralized bureaucratic organization that was key to past electoral victories. The KMT created the peipiao voter allocation system. Now the KMT says it cannot enforce this system among its supporters. Second, the party that build the ROC military and took considerable pride in cultivating an image of defenders of freedom now campaigns against funding defense.

19. (C) This is the situation that many KMT legislators feared in the aftermath of March 20 when the party leadership diverted all their attention and resources to fighting the presidential election outcome. Despite the chaos in the central headquarters, the KMT is not expecting a train wreck. Individual candidates in both northern and southern Taiwan

are polling well in their districts, and confident of their own victory. This stems in large part from the fact that, compared to the PFP (Septel), the KMT is a model of cohesion and unity. Most KMT candidates are optimistic that their individual strengths, and the PFP's weaknesses, will allow the KMT as a party to come out of the election at least as strong as it started.

PAAL